

State of Nebraska

2004 Tax Expenditure Report

Prepared by
Nebraska Department of Revenue
Mary Jane Egr, State Tax Commissioner
Lincoln, Nebraska



October 15, 2004

TAX EXPENDITURE REPORT

for

Sales and Use Tax, Nebraska and Local Option
Property Assessment/Taxation and Homestead Exemptions
Individual, Fiduciary, and Corporation Income Tax, and Financial Institution Tax
Railroads, Public Service Entities, Car Lines, and Air Carrier Flight
Equipment Property Tax
Alcoholic Beverages Tax and Fees
Bingo, Lottery, Raffle, and Lottery by Pickle Card Tax
Cigarette Tax
Corporation Occupation Tax
Documentary Stamp Tax
Estate Tax and Generation-Skipping Transfer Tax
Inheritance Tax
Insurance Premium Tax
Local Occupation and License Tax
Lodging Tax, Nebraska and County
Motor Vehicle Fuels, Aircraft Fuels, Diesel Fuel, and Compressed Fuel Tax
Motor Vehicle Registration and Licensing Fees
Oil and Gas Severance Tax
Pari-mutuel Wagering Tax
Public Power and Irrigation Districts' Gross Revenue Tax
Waste Reduction and Recycling Fees
Petroleum Release Remedial Action Fee
Employment and Investment Growth Act, Employment Expansion and Investment
Incentive Act (Including the Enterprise Zone Act), Quality Jobs Act,
Rural Economic Opportunities Act, and Invest Nebraska Act

October 15, 2004

Prepared by

Nebraska Department of Revenue
Research Services,

with the assistance of

Special Services, Motor Fuel Division,
Legal Services, the Charitable Gaming Division,

and the cooperation of

the Nebraska Secretary of State,
the Nebraska Liquor Control Commission,
the Nebraska Department of Insurance,
the Nebraska Department of Motor Vehicles,
and the Nebraska Department of Property Assessment and Taxation.

INTRODUCTION

Under the provisions of the Tax Expenditure Reporting Act found in sections 77-379 through 77-385, R.R.S. 2003, the Nebraska Department of Revenue has prepared the Tax Expenditure Report and Summary for 2004. This report and summary constitute the review of tax expenditures required in every even-numbered year. It is the intent of the Legislature to provide a mechanism through this material to better determine those sectors of the economy which are receiving indirect subsidies as a result of tax expenditures.

A tax expenditure is defined by statute as a revenue reduction that occurs in the tax base of the state or a political subdivision as a result of an exemption, deduction, exclusion, tax deferral, credit, or preferential rate introduced into the tax structure. The tax expenditures included here are those in effect on July 1, 2004. The report and summary include all tax programs which generate state or local revenue annually in excess of \$2 million.

During the next legislative session, the Governor's office, the State Tax Commissioner, and the Legislature may be recommending elimination or change in some of the tax expenditures noted. Recommendations regarding the tax expenditures need not be limited to those appearing in this document.

We wish to acknowledge the cooperation and the contribution of the following state agencies: Department of Insurance, Department of Motor Vehicles, Liquor Control Commission, the Secretary of State, and the Department of Property Assessment and Taxation.

This report is submitted to the Governor, the Executive Board of the Legislative Council, the chairpersons of the Legislature's Revenue and Appropriations Committees, and to all members of the Legislature. It is also one of the Department's publications available on the Internet at **www.revenue.state.ne.us**.

If, after reviewing this report, you have any questions concerning its content or any related area, please feel free to contact Research Services, Nebraska Department of Revenue at (402) 471-5699.

Mary Jane Egr
State Tax Commissioner

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